<u>REMARKS</u>

The objections to the specification (page numbering, use of URLs, and trademark indications) are believed to have been obviated by amendment.

The rejection of claims 3, 4, 11, 12, 13, 21 and 32 under 35 U.S.C. § 112, as indefinite or too broad in the light of the teaching of the specification, has also been overcome by the clarifying amendments to these claims. As for claim 15, the prior art limit of 300 bits/second of executable embedded code is recited on page 16 of the specification, and the technique for extension thereabove is disclosed on pages 4 and 17 and elsewhere (more than 3000bits/sec..." etc.)

Claims 1-6, 8-11, 16, 37-38 have been rejected under 35 U.S.C. 102 (a, b, e) as anticipated by U.S. patent 5,838,906 to Doyle et al; and claims 12, 17-20, 24 and 27-31 have been held, under the 35 U.S.C. Sec. 103(a), to be merely the "obvious" incorporation into the patent to Doyle et al of the Mahoney ID3 standard; and, as for claims 7, 23 and 35-36, the "obvious" incorporation of the Ginter watermarking, and further in view of the "Web" advertising article of Sterne.

Reconsideration is respectfully requested of these grounds of rejection, particularly in the currently amended form of these claims, since, as will now be demonstrated, this patent actually in no way anticipates applicants' invention or attains the highly novel results thereof.

Where the Doyle et al patent discusses "embedded objects", it only describes the placement of references to external embedded objects within a hypermedia document, primarily for the purposes of coordinating the remote execution of a program with a local display. This is further reinforced by their description of the embedding mechanism, which uses the HTML EMBED tag only to point to the URL of the external object.

This is vastly different from the techniques taught by applicants, which describe how to seamlessly place an *entire media file* inside *another media file*.

There is not even a suggestion in the reference patent that they anticipate the placement of actual embedded data directly within another media file, as is taught in applicants' specification.

The patent to Doyle et al, indeed, defines hypertext as "a document that allows a user to view a text document displayed on a display device connected to the user's computer and to access, retrieve and view other data objects that are linked to hypertext words or phrases in the hypertext document". It further defines hypermedia: "When graphics, sound, video or other media capable of being manipulated and presented in a computer system is used as the object linked to, the document is said to be a hypermedia document. A hypermedia document is similar to a hypertext document, except that the user is able to click on images, sound icons, video icons, etc., that link to other objects of various media types, such as additional graphics, sound, video text, or hypermedia or hypertext documents."

From these descriptions, it is readily apparent that the patent to Doyle et al is referring only to a text document with links to other forms of media, not to the much more general notion of media files with other embedded media in them that applicants teach. This disproves the discussion, in the Office action, regarding claims 3, 4, and 16, and, in section 17 of the Office action, (claim 27), in which the examiner suggests incorrectly that this is implied by Doyle et al and the MPEG standard.

Additionally, under section 17, regarding claim 24, Doyle et al does not actually teach how to embed data directly in a document (only by reference), so the discussion about combining Doyle and Mahoney is also inapt.

In section 18 of the Office action, regarding claim 13, etc., applicants respectfully take issue with the statement that "it would have been obvious to one of ordinary skill in the field to combine the teachings of Doyle and Ginter because steganography makes transactions more secure. In the same section, in discussing claim 14, the Office action claims that both low-bit encoding and

frequency-domain low-bit encoding are inherent in the MPEG standard.

Applicants and counsel have carefully and thoroughly reviewed the MPEG standard, and its does not at all describe any such techniques. Applicants' use of these, to the contrary, is novel and unanticipated by the MPEG standard.

In order even more clearly to distinguish from the references, none-theless, applicants have amended the claims to make it even more clear that, totally unlike Doyle et al, applicants novelly teach—in the words of amended independent process claim 1, for example,—"embedding the executable code representing said supplementary media file into the pre-prepared media file for execution by the playback apparatus supplementary to the playback of the preprepared file content."

No such operation or even hint of such is contained in the primary reference patent to Doyle et al—and certainly not in any of the secondary references to Mahoney, Ginter or the Web publication!

Independent system claim 24 has been amended similarly to process claim 1 and accordingly also clearly distinguishes over the cited prior art in the same way.

Process claims 2-23 are all dependent from amended process claim 1, and system claims 25-33 depend from amended apparatus claim 24, embodying all the same limitations that distinguish over the references.

Method claim 35 (and dependent claim 36), as amended, also clearly define applicants' embedded advertising media file within the pre-programmed entertainment file over the references for the same reasons, as do amended process claims 37 and 38.

Newly presented dependent claims 39 and 40 further recite numerical details of applicants' breakthrough with embedding of at least thousands of bits of supplemental digital program content at data rates of from hundreds to thousands of Kilobytes per second--totally outside the realm of the references.

Applicants have made a startling advance permitting entire supplemental media files to be embedded in pre-recorded media files for the first time, and with negligible degradation--novel results not even thought to be possible in prior art types of copyright watermarking systems, or few bit embedding.

Applicants therefore believe that all of claims 1-40 clearly distinguish their invention from the prior art and its type of results.

Reconsideration and allowance are accordingly respectfully requested.

Any costs required by this filing, including for any required reply time extensions, petition for which is hereby made, may be charged to Deposit Account No. 18-1425 of the undersigned attorneys.

Very respectfully,

RINES AND RINES

Date: July 8, 2003 Rines and Rines 81 North State Street Concord, N.H. 03301 Reg. No. 15,932

Tel. (603) 228-0121

Robert H. Rines.

Attorney for Applicant

Reg. No. 15,932